

Analysis: Why top PAP leaders issued reserves challenge to the opposition and will they take it up?

Deputy Prime Minister Lawrence Wong recently repeated Prime Minister Lee Hsien Loong's call on opposition politicians to take their ideas on the national reserves to the ballot box.

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SINGAPORE: Within a span of three weeks last month, the top two leaders of the ruling People's Action Party (PAP) made separate calls on the opposition to take the issue of Singapore's reserves to the electorate.

The challenge has been largely met with silence so far, with the opposition parties not expressing any commitment to debate the management of the national reserves during the hustings of the next General Election, which must be held by November next year.

So why was the challenge issued? To lay the matter to rest and to get the opposition - which has repeatedly brought up the issue in and outside of Parliament - to "put (their) money where their mouth is", as political analysts put it.

"As the opposition tends to bring up the issue of the reserves, they have been challenged to make it an electoral issue to ascertain whether the electorate is more supportive of the government's current position or the opposition's counter-proposal on managing the reserves," said Dr Mustafa Izzuddin, senior international affairs analyst at consultancy firm Solaris Strategies Singapore.

Law don Eugene Tan from Singapore Management University added: "It seems to me that both (leaders) don't think the opposition has accepted or will accept the government's explanation, or that the opposition may even be seeking to politicise the issue."

Independent political observer Dr Felix Tan said that taking this issue to the ballot box would highlight that if the opposition ever won an election, they would have to ensure that Singapore's reserves are safeguarded. "So, besides criticising, what are the opposition plans then?" he said.

Prime Minister Lee Hsien Loong, who is also the secretary-general of the ruling People's Action Party (PAP), called on opposition politicians last month to take their ideas on the reserves to the ballot box. He was speaking during a parliamentary debate where opposition Members of Parliament (MPs) called for the government to reveal the extent of the reserves and review policies on their use.

The challenge was then repeated by Deputy Prime Minister Lawrence Wong, who is also PAP deputy secretary-general and Mr Lee's expected successor, on Feb 28 during the Budget debate.

Mr Lee had been speaking on a motion brought by Non-Constituency MPs Leong Mun Wai and Hazel Poa from PSP. The motion called on the government to review the Budget and

reserve accumulation policies to help Singaporeans reduce their financial burdens and improve their quality of life.

During the debate, Mr Lee told the House that the opposition's "tune has changed" from the days of the global financial crisis in 2009 when there was a "common commitment" to safeguard the reserves.

"Now, I hear the opposition arguing that we should change the rules and draw more from reserves and that, of course, they have no intention to raid the reserves ... They say we can easily afford what they are proposing," the prime minister added.

"Don't pretend that you're just as prudent, only more kind-hearted. Campaign in the next General Election on this issue. Ask voters for a mandate to form the government, change the Constitution, dismantle the second key," he said.

Under the Constitution, the President holds the second key to the national reserves and safeguards it.

An amended version of the motion to ensure the government stays "fiscally responsible and sustainable" was eventually passed, with dissent from the opposition.

Three weeks later, Mr Wong, who is also Finance Minister, said that the opposition's desire to use more of the reserves for current spending would lead to "less for ourselves in the future", as well as less for future generations.

He added that Singapore's reality requires a focus on prudence, and planning ahead is a hallmark of the country's fiscal policy.

HOW MIGHT IT PLAY OUT AS A CAMPAIGNING ISSUE?

If it does become an electoral issue, the PAP would "certainly remind voters that it is a dependable party to secure Singapore's long-term future with a track record of fiscal prudence and a position of intergenerational equality with regard to spending the reserves," said Dr Gillian Koh, senior research fellow at the Institute of Policy Studies.

This was a key point emphasised by Mr Lee in parliament during the debate on the issue. Urging Singaporeans to continue to nurture the reserves nest egg left by Singapore's forefathers, he said that despite the difficulties and the challenges earlier generations faced, they put aside the savings that current Singaporeans now enjoy.

"We are beneficiaries of our forefathers' sacrifice and vision but we are also trustees protecting this inheritance for future generations," Mr Lee added.

Assoc Prof Tan said this suggests that the PAP thinks highlighting this would resonate with the electorate: "In throwing the challenge at the opposition, it would appear that the PAP leaders are confident that voters will support their approach to the management and use of the national reserves."

On the other hand, opposition parties may put forward the idea that it's possible to remain fiscally prudent while tapping on the reserves for immediate issues, the analysts said.

“For the opposition, they are likely to make the case that the government can be less tight-fisted, to empathise with the people, and to not ignore immediate concerns even as it continues to prepare for a rainy day,” said Assoc Prof Tan.

He added that one of their arguments could be how they are not advocating a radically different approach from the PAP, but that more can be done to help Singaporeans without compromising the interest of future generations.

“The temptation to use the past reserves may well be seductive enough given that whether we have S\$500 billion or S\$1 trillion in reserves, spending a couple of ten of millions may be regarded as a drop in the ocean,” he said.

Dr Mustafa said that if the reserves does become an election issue, "pragmatism will most likely prevail at the ballot box".

"The middle ground voter will favour fiscal prudence for ensuring the sustainability of the reserves for future generations," he added.

WILL THE CHALLENGE BE ACCEPTED?

As to whether opposition parties will accept the challenge to make the reserves an election issue, the analysts had differing views.

Assoc Prof Tan said he would not exclude the possibility, given that the opposition may conclude it would benefit them to propose new approaches. They could also conclude that voters' views on the reserves align with theirs.

However, Dr Koh suggested that it is not an easy matter to campaign on and it is “not an easy matter to convey to the voting public” despite much discussion about it.

“It is a real challenge to explain accurately what they are, how they have been managed thus far, and the guiding values that shape these,” Dr Koh added.

Dr Mustafa said he did not think the opposition would centre their campaign around the issue of the reserves, and could see the challenge as a "political trap being set by the ruling party to discredit them".

In response to CNA's queries about whether it would be campaigning on the issue of the reserves at the next election, a Progress Singapore Party (PSP) spokesperson said: “We are keeping our options open at this time.”

CNA reached out to the Workers' Party but did not receive a response.

Neither party directly responded to Mr Lee's or Mr Wong's challenges in parliament.